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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

SIG-IEP Meeting of 20 July 1983

FROM:

Maurice C. Ernst
NIO/Economics

EXTENSION

NO.

NIC-5302-03

DATE

21 July 1983

25X1

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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C/NIC

22 JUL 1983

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22 July 25 JUL 1983

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The Director of Central Intelligence

Washington, D.C. 20505

NIC #5302-83
21 July 1983

National Intelligence Council

MEMORANDUM FOR THE RECORD

SUBJECT: SIG-IEP Meeting of 20 July 1983

25X1 1. The topics discussed were: an update on the LDC debt problem; Polish debt rescheduling; and a draft agreement with Malaysia on tin stockpile disposals. [] and I attended for CIA.

Debt

2. As a result of the new stabilization measures announced by the Brazilian government, especially the partial de-indexing of wages, the IMF team which has been negotiating with Brazil will recommend to the IMF Governing Board that loan disbursements from the IMF be resumed. One remaining problem is that the Brazilian policy decisions, which were made by Presidential decree, cannot be considered final for more than two months, because either House of the Brazilian Congress may override the decree for 60 days after formal reading (which will be on August 1st), and subsequently for another ten days when it will be formally on Congress' calendar. Technically, the IMF cannot release the money until this political process is completed. The US is trying to prod the IMF to get around this problem by providing some advances to Brazil after the IMF Governing Board meets in August.

Polish Rescheduling

3. The issue is not whether a Paris Club rescheduling of Polish debt to governments will occur--other Western countries have decided to go ahead in any event--but rather whether or under what conditions the US should participate in this process. The US will wait for Polish decisions on amnesty before deciding.

Agreement with Malaysia on Tin Stockpile Leases

4. The issue is whether or not to agree to the general outlines of a draft agreement with Malaysia which would establish quantitative limits for US stockpile disposals over the next year or so. State, DOD, and NSC favor the agreement because of its potential favorable impact on US-Malaysian relations, especially in light of the forthcoming visit of the Malaysian President. All other agencies are against the agreement, at least in its

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present form, because it establishes a bad precedent on stockpile disposal policies, which have always been handled in a flexible fashion, is bilateral in nature, and would reduce projected US budget revenues to the advantage of Malaysia. State will try to work out modifications of the agreement that would make it acceptable to other agencies. Failing this, the issue of whether or not to basically renegotiate the agreement probably will go to the NSC.

A handwritten signature in black ink, appearing to read "M. Ernst", with a long horizontal flourish extending to the right.

Maurice C. Ernst

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NIC #5302-83

21 July 1983

SUBJECT: SIG-IEP Meeting of 20 July 1983

DCI/NIC/NIO/ECON:

25X1

Dist:

Orig - DCI
1 - DDCI
1 - ExDir
1 - DCI/SA/IA
1 - ExReg
1 - DDI Reg
1 - DDI
1 - D/OEA
1 - D/OALA
1 - C/NIC
1 - VC/NIC (H.M.)
1 - VC/NIC (C.W.)
1 - NIO/EA
1 - NIO/LA
2 - NIO/Econ

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